

LEGISLATURE OF NEBRASKA  
NINETY-SIXTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 985**

Introduced by Redfield, 12; Bruning, 3; Hilgert, 7; Jensen, 20;  
Preister, 5; Quandahl, 31; Schmitt, 41; Smith, 48

Read first time January 5, 2000

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section  
2 77-2106, Reissue Revised Statutes of Nebraska, and  
3 section 77-2004, Revised Statutes Supplement, 1998; to  
4 change the exemption amount subject to inheritance tax;  
5 to create a fund; to provide funding to counties; to  
6 eliminate an obsolete provisions; to harmonize  
7 provisions; to provide an operative date; to repeal the  
8 original sections; to outright repeal section 77-2040,  
9 Reissue Revised Statutes of Nebraska; and to declare an  
10 emergency.  
11 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-2004, Revised Statutes Supplement,  
2 1998, is amended to read:

3           77-2004.       (1) In the case of a father, mother,  
4 grandfather, grandmother, brother, sister, son, daughter, child or  
5 children legally adopted as such in conformity with the laws of the  
6 state where adopted, any lineal descendant, any lineal descendant  
7 legally adopted as such in conformity with the laws of the state  
8 where adopted, any person to whom the deceased for not less than  
9 ten years prior to death stood in the acknowledged relation of a  
10 parent, or the spouse or surviving spouse of any such persons, the  
11 rate of tax shall be one percent of the clear market value of the  
12 property in excess of ~~ten~~ one hundred thousand dollars received by  
13 each person. Any interest in property, including any interest  
14 acquired in the manner set forth in section 77-2002, which may be  
15 valued at a ~~sum less than ten~~ one hundred thousand dollars or less  
16 shall not be subject to tax. In addition the homestead allowance,  
17 exempt property, and family maintenance allowance shall not be  
18 subject to tax. Interests passing to the surviving spouse by will,  
19 in the manner set forth in section 77-2002, or in any other manner  
20 shall not be subject to tax.

21           (2) The changes made to section 77-2004 by this  
22 legislative bill shall become operative on July 1, 2000, and shall  
23 apply to all property which passes from a decedent dying on or  
24 after such date.

25           Sec. 2. Section 77-2106, Reissue Revised Statutes of  
26 Nebraska, is amended to read:

27           77-2106. ~~All~~ The Tax Commissioner shall remit the  
28 proceeds from the levy and imposition of the transfer or excise tax

1 ~~shall be paid to the Tax Commissioner who shall remit the proceeds~~  
2 ~~to the State Treasurer who shall credit the first six million~~  
3 ~~dollars of the proceeds in each fiscal year to the County~~  
4 ~~Inheritance Tax Replacement Fund and shall credit the remaining~~  
5 ~~proceeds for credit to the General Fund.~~

6           Sec. 3. (1) The County Inheritance Tax Replacement Fund  
7 is created. Any money in the fund available for investment shall  
8 be invested by the state investment officer pursuant to the  
9 Nebraska Capital Expansion Act and the Nebraska State Funds  
10 Investment Act.

11           (2) The money in the fund shall be distributed to  
12 counties by the State Treasurer each January beginning in 2001.  
13 The Department of Roads shall compute the amount allocated to each  
14 county and certify the amounts to the State Treasurer on or before  
15 December 31 of each year beginning in 2000.

16           (3) The fund shall be distributed one-third based on each  
17 of the following three factors:

18           (a) Lineal feet of bridges twenty feet or more in length  
19 and all overpasses in each county, as compared to the total lineal  
20 feet of such bridges or overpasses in all counties, as determined  
21 by the most recent inventory available within the Department of  
22 Roads. For purposes of this subdivision, a bridge or overpass  
23 located partly in one county and partly in another shall be  
24 considered located one-half in each county;

25           (b) Total miles of county and township roads within each  
26 county, as compared to the total miles of such roads in all  
27 counties, as determined by the most recent inventory available  
28 within the Department of Roads; and

1           (c) Total population of each county, as compared to the  
2           total population of all counties, as determined by the most recent  
3           federal census.

4           (4) Distributions received from the fund shall be used  
5           for the costs of construction, reconstruction, and repair of county  
6           roads, streets, and bridges and any facilities, appurtenances, and  
7           structures deemed necessary or desirable in connection with such  
8           roads, streets, and bridges. Distributions from the fund may be  
9           used as matching funds required under section 39-2509.

10           Sec. 4. This act becomes operative on July 1, 2000.

11           Sec. 5. Original section 77-2106, Reissue Revised  
12 Statutes of Nebraska, and section 77-2004, Revised Statutes  
13 Supplement, 1998, are repealed.

14           Sec. 6. The following section is outright repealed:  
15 Section 77-2040, Reissue Revised Statutes of Nebraska.

16           Sec. 7. Since an emergency exists, this act takes effect  
17 when passed and approved according to law.